Form (2)

Republic of the Union of Myanmar ★ Myanmar Investment Commission ★
Sr. No....135-a.....
Dated.13..1...2012.

The Myanmar Investment Commission

PERMIT

Permit No. 466/2012

Date 13 JANUARY 2012

The Myanmar Investment Commission issues this Permit under Section 10 of the Republic of the Union of Myanmar Foreign Investment Law-

(a) Name of Promoter MR.CHANG DONG YEON

(b) Citizenship KOREAN

(c) Address SUIT 110-1802 INDUKWON MAEUL SAMSUNG APT:1510-1GYEONGGI-DONG,DONGAN-GU ANYANG-CITY GYEONGGI-DO, KOREA

(d) Name and Address of principal organization COSTEC F.S CO. LTD. 2 F,PARK CENTER, YANGJAE-DONG, SEOCHO-GU, SEOUL, KOREA

(e) Place of incorporation REPUBLIC OF KOREA

(f) Type of business in which investment is to be made MANUFACTURING OF GARMENTS ON CMP BASIS

(g) Place(s) at which investment is permitted PLOT NOS.34, 35 & 36 MYA TAUNG WUN GYI U MHO STREET INDUSTRIAL ZONE 3, SHWE PYI THAR TOWNSHIP, YANGON REGION.

(h) Amount of foreign capital US$ 1.332 MILLION

(i) Period for bringing in foreign capital WITHIN SIX MONTHS FROM THE DATE OF ISSUANCE OF MIC PERMIT

(j) Total amount of capital (Kyat) EQUIVALENT IN KYAT OF US$ 1.332 MILLION

(k) Permitted duration of investment 30 YEARS

(l) Name of the economic organization to be formed in Myanmar COSTEC INTERNATIONAL COMPANY LIMITED

Chairman

The Myanmar Investment Commission

ပြည်ထောင်စုသမ္မတမြန်မာနိုင်ငံတော် (၂)
စာအမှတ် ၇၃၅-၈
ရက်စွဲ ၁၃-၁-၂၀၁၂
မြန်မာနိုင်ငံရင်းနှီးမြှုပ်နှံမှုကော်မရှင်

မြန်မာနိုင်ငံ ရင်းနှီးမြှုပ်နှံမှု ကော်မရှင်

ခွင့်ပြုမိန့်

ခွင့်ပြုမိန့်အမှတ် ၄၆၆/၂၀၁၂ ၂၀၁၂ ခုနှစ်၊ ဇန်နဝါရီလ ၁၃ ရက်

ပြည်ထောင်စု သမ္မတမြန်မာနိုင်ငံတော် နိုင်ငံခြား ရင်းနှီးမြှုပ်နှံမှု ဥပဒေ ပုဒ်မ (၁၀) အရ ဤခွင့်ပြုမိန့်ကို မြန်မာနိုင်ငံ ရင်းနှီးမြှုပ်နှံမှု ကော်မရှင်က ထုတ်ပေးလိုက်သည်-

(က) ကမကထပြုသူ၏အမည် MR. CHANG DONG YEON

(ခ) မည်သည့် နိုင်ငံသား KOREAN

(ဂ) နေရပ်လိပ်စာ SUIT 110-1802 INDUKWON MAEUL SAMSUNG APT:1510-1GYEONGGI-DONG, DONGUN-GU ANYANG-CITY GYEONGGI-DO, KOREA

(ဃ) ပင်မအဖွဲ့အစည်းအမည်နှင့်လိပ်စာ COSTEC F. S CO. LTD., 2 F,PARK CENTER, YANGJAE-DONG, SEOCHO-GU, SEOUL, KOREA

(င) ဖွဲ့စည်းရာအရပ် KOREA

(စ) ရင်းနှီးမြှုပ်နှံမှုပြုလုပ်မည့်လုပ်ငန်းအမျိုးအစား CMP စနစ်ဖြင့် အထည်ချုပ်လုပ်ငန်း

(ဆ) ရင်းနှီးမြှုပ်နှံမှုပြုလုပ်ခွင့်ပြုသည့်အရပ်ဒေသ(များ) မြေကွက်အမှတ် ၃၄၊ ၃၄၊ ၃၆ ရွှေပြည်သာစက်မှုဇုံ (၃)၊ ရွှေပြည်သာမြို့နယ်၊ ရန်ကုန်တိုင်းဒေသကြီး

(ဇ) နိုင်ငံခြားမတည်ငွေရင်း အမေရိကန်ဒေါ်လာ ၁.၃၃၂ သန်း

(ဈ) နိုင်ငံခြားမတည်ငွေရင်းယူဆောင်လာရမည့်ကာလ ကော်မရှင် ခွင့်ပြုမိန့် ရရှိပြီး (၆)လအတွင်း

(ည) စုစုပေါင်း မတည်ငွေရင်းပမာဏ(ကျပ်) အမေရိကန်ဒေါ်လာ ၁.၃၃၂ သန်း နှင့်ညီမျှသော မြန်မာကျပ်ငွေ

(ဋ) ရင်းနှီးမြှုပ်နှံခွင့်ပြုသည့် သက်တမ်း ၁၀ နှစ်

(ဌ) မြန်မာနိုင်ငံတွင် ဖွဲ့စည်းမည့် စီးပွားရေး အဖွဲ့အစည်းအမည် COSTEC INTERNATIONAL COMPANY LIMITED

ဥက္ကဋ္ဌ
မြန်မာနိုင်ငံရင်းနှီးမြှုပ်နှံမှုကော်မရှင်

Confidential

REPUBLIC OF THE UNION OF MYANMAR

MYANMAR INVESTMENT COMMISSION

Building No.(32), Nay Pyi Taw

Our ref : Ya Ka-1/Na-644 / 2012(735-a) Tel: 067-06334,406075

Dated : 15 January 2012. Fax: 95-67-406333

Subject : **Decision of the Myanmar Investment Commission on the Proposal for "Manufacturing of Garment on CMP Basis " under the name of "COSTEC International Company Limited"**

Reference: **COSTEC International Company Limited** Letter dated (29-11-2011)

1. The Myanmar Investment Commission, at its meeting (1/2012) held on(3-1 -2012) had approved the proposal for investment in "Manufacturing of Garment on CMP Basis " under the name of "COSTEC International Company Limited " submitted by " COSTEC F. S. Company Limited" of the Republic of Korea as a wholly owned foreign investment.

2. Hence, the "Permit" is herewith issued in accordance with Chapter VI, Section 10 of the Republic of the Union of Myanmar Foreign Investment Law and Chapter VI, Rule 13 of the Procedures relating to the said Law. Terms and conditions to the "Permit" are stated in the following paragraphs.

3. The permitted duration of the project shall be 30 (Thirty) years commencing from the date of signing of the Lease Agreement and extendible for another 5 (Five)years period by mutual agreement between both parties. At the end of the Leased Agreement, COSTEC International Company Limited shall transfer the leased land and immovable properties to the lessors within 3 months in good condition, ground damages having been refilled and repaired.

4. The annual rent for the land and building shall be US $ 78,881.39 (United States Dollar Seventy Eight Thousand, Eight Hundred Eighty One and Thirty Nine cent only) calculated at the rate of US$ 5.50 per square meter per annum on the leased land area of 3.544 acres(14342.07 square meter). The rate of rent shall be revised in view of prevailing

land lease rates after every 5 (Five) years period and the rate of increase shall not be more than 10% of the previous rate.

5. In issuing this "Permit," the Commission has granted ,amongst the followings, exemptions and reliefs as per Section 21(a)(i) and (j) of the Union of Myanmar Foreign Investment Law. Other exemptions and reliefs under Section (21) shall have to be applied upon the actual performance of the project;

(a) As per section-21(a), exemption from income tax up to 36 (Thirty six) months starting from the month of commencement of commercial operation.

(b) As per section-21(b), exemption from income tax on profits of the business if they are maintained in a reserve fund and re-invested there in within one year after the reserve is made.

(c) As per section-21(c), right to accelerate depreciation in respect of machinery, equipment, building of other capital assets used in the business to the extent of the original value for the purpose of income- tax assessment.

(d) As per section-21(d),relief from income tax up to 50 percent on profits accrued from exports, following a 3-year tax holiday period.

(e) As per section-21(e), right to pay income-tax payable to the State on behalf of foreigners who have come from abroad and are employed in the enterprise and the right to deduct such payment from the assessable income.

(f) As per section-21(f), right to pay income-tax on the income of the above-mentioned foreigners at the rates applicable to the citizens residing within the country.

(g) As per section-21(g), right to deduct from the assessable income such expense incurred in respect of research and development relating to the enterprise which are actually required and are carried out within the State, only after 3 years tax holiday period.

(h) As per section-21(h), right to carry forward and set-off up to three consecutive years from the year the loss is sustained following the enjoyment of exemption from income-tax, in

accordance with Section-4 of the Income Tax Amendment Law, 1991.

(i) As per section-21(i), exemption from customs duty and all other internal taxes on machinery, equipment, instruments, machinery components, spare parts and materials used in the business, which are imported as they are actually required for use during the period of construction.

(j) As per section-21(j), exemption from customs duty and all other internal taxes on such raw materials which are actually required for operation of the business shall be granted within three years of commercial operation following the period of construction.

6. COSTEC International Company Limited shall have to sign the Lease Agreement with U SOE MYINT, U MYINT LWIN and U THAUNG HTIKE. After signing such Agreement, (5) copies each of those shall have to be forwarded to the Commission.

7. COSTEC International Company Limited in consultation with the Department of Company Registration, Directorate of Investment and Company Administration shall have to be registered. After registration, (5) copies each of Certificate of Incorporation and Memorandum and Articles of Association shall have to be forwarded to the Commission.

8. COSTEC International Company Limited shall use its best efforts for timely realization of works stated in the Proposal. If none of such works has been commenced within one year from the date of issue of this "Permit" it shall become null and void.

9. The commercial date of operation shall be reported to the Commission.

10. COSTEC International Company Limited shall endeavour to meet the targets for production and export stated in the proposal as the minimum target.

11. The Commission approves periodical appointments of foreign experts and technicians from abroad as per proposal. COSTEC International Company Limited shall have to consult with Directorate of Labour, Ministry of Labour for appointment of such foreign experts and technicians.

18. COSTEC International Company Limited shall follow the procedures prescribe by the Commission, vide letter no. Ya Ka-7/ 408/ 94(0424) dated 29-6-94 [Annexure (3)] to expedite the clearance of imports of capital and inter- industry use goods brought in as capital investment and raw materials required during the initial 3- years operation period.

19. Payment of principal and interest of the loan(if any) as well as payment for import of raw materials and spare parts etc. shall only be made out of the official foreign exchange earnings of COSTEC International Company Limited.

20. COSTEC International Company Limited in consultation with Myanma Insurance, shall effect such types of insurance defined under Chapter VIII, Rule 15 of the Procedures relating to the Union of Myanmar Foreign Investment Law.

(Soe Thane)

Chairman

COSTEC International Company Limited

cc:
1. Office of the Government of the Republic of the Union of Myanmar
2. Ministry of National Planning and Economic Development
3. Ministry of Finance and Revenue
4. Ministry of Commerce
5. Ministry of Construction
6. Ministry of Foreign Affairs
7. Ministry of Home Affairs
8. Ministry of Immigration and Population
9. Ministry of Labour
10. Ministry of Electric Power No.(2)
11. Director General, Directorate of Investment and Company Administration

12. Director General ,Department of Human Settlement & Housing Development
13. Director General, Customs Department
14. Director General, Internal Revenue Department
15. Managing Director, Myanma Foreign Trade Bank
16. Managing Director, Myanma Investment and Commercial Bank
17. Managing Director, Myanma Insurance
18. Managing Director, Myanma Electric Power Enterprise
19. Director General, Directorate of Trade
20. Director General, Immigration and National Registration Department
21. Director General, Directorate of Labour
22. Chairman, Republic of the Union of Myanmar Federation of Chambers of Commerce and Industry(RUMFCCI)